



STATE OF MARYLAND
DHMH

PT14-06

Office of Health Services
Medical Care Programs

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
Nursing Home Transmittal No. 196

September 21, 2005

TO: Nursing Home Administrators
FROM: Susan J. Tucker, Executive Director
Office of Health Services

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal

RE: **Fiscal Year 2006 Interim Rates for the Period Sept. 1, 2005 - June 30, 2006**

Enclosed are Fiscal Year 2006 interim rates for your facility which will become effective with payments for services provided on September 1, 2005 and remain in effect for services provided through June 30, 2006. The rates are based on COMAR 10.09.10 Nursing Facility Services, in accordance with amendments proposed to become effective September 1, 2005.

Please check the provider number at the top of the enclosed rate letter to ensure that you have received the correct data. A copy of these rates should be furnished to your accountant or bookkeeper for setting up your accounts.

This transmittal addresses the changes in reimbursement parameters and providers' rates from those in effect during the period July 1, 2005 through August 31, 2005.

Providers Electing Statewide Average Payment

The statewide average Medicaid nursing home payment for each day of care during Fiscal Year 2006 (COMAR 10.09.10.13N) remains \$187.05



Occupancy Standard

The occupancy standard applied to the Administrative/Routine, Other Patient Care and Capital cost centers remains 90.8 percent.

Nursing Service Cost Center

Standard per diem nursing rates have been established for each patient classification and procedure and remain unchanged. Fiscal Year 2006 rates are included in Nursing Home Transmittal No. 194, dated July 14, 2005. Providers receive reimbursement based upon their projected nursing service costs, not to exceed these rates. Providers with costs less than these rates are allowed profit in the amount of 60 percent of the difference between their costs and the rate. Profit may not exceed 3.15 percent of the provider's maximum allowable reimbursement based upon standard per diem rates.

Providers that are projected to spend less than full reimbursement in the Nursing Service cost center have had their interim nursing rates reduced by 95 percent of the per diem amount projected to be recovered. The attached rate letter indicates the amount of nursing recovery deducted from interim nursing rates. Providers can request an interim rate change if documentation of increased nursing costs will increase their reimbursement in the Nursing Service cost center by 2 percent or more.

Administrative/Routine Cost Center

Fiscal Year 2006 ceilings for the period September 1, 2005 through June 30, 2006 are set at 112.25 percent of the median day cost. The ceilings have changed as follows:

REGION	FISCAL YEAR 2006 CEILING JULY - AUGUST	FISCAL YEAR 2006 CEILING SEPTEMBER - JUNE
BALTIMORE	\$66.00	\$66.15
WASHINGTON	70.97	71.13
NON-METRO	59.55	59.68

The efficiency allowance in this cost center remains 40 percent of the difference between the provider's cost and the ceiling, with a maximum efficiency payment of 10 percent of the ceiling.

Other Patient Care Cost Center

Reimbursement parameters in this cost center have not changed. The ceilings remain at 118 percent of the median day cost. The efficiency allowance remains 25 percent of the difference between the provider's cost and the ceiling, with a maximum efficiency payment of 5 percent of the ceiling.

Therapy Services Cost Center

Therapy Services rates have not changed from those effective July 1, 2005.

Capital Cost Center

The Fiscal Year 2006 Capital Rental Rate for the period September 1, 2005 through June 30, 2006 is 8.22 percent.

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Any questions regarding this transmittal or the rates on the enclosed listings should be directed to the Nursing Home Section of the Division of Long Term Care Services at (410) 767-1736.

SJT/seh
Enclosures

cc: Nursing Home Liaison Committee